

**From:** Sonia Arrison  
**To:** Microsoft ATR  
**Date:** 1/25/02 2:20pm  
**Subject:** Microsoft Settlement

January 25, 2002

Ms. Renata Hesse

Trial Attorney

Antitrust Division

Department of Justice

601 D Street NW, Suite 1200

Washington, DC 20530

Re: Settlement of US v. Microsoft

Dear Ms. Hesse:

The Pacific Research Institute is a non-profit, San Francisco-based public policy think tank dedicated to promoting individual freedom and personal responsibility. This letter is being submitted to the courts as part of the Tunney Act proceedings as it relates to the Final Judgment Stipulation and Competitive Impact Statement in US v. Microsoft. On behalf of Pacific Research Institute, I have written on and researched the Microsoft issue extensively. It is the position of our organization that approving the settlement in this case is in the best interest of consumers and the technology industry.

As the director for the Pacific Research Institute's Center for Technology Studies, I have worked on this issue from very early on in

its history. I reviewed the position of the federal government and state attorneys general as well as the position taken by Microsoft and its competitors. The antitrust case brought against Microsoft was neither justified nor in the best interest of American consumers. Now, four years later, the courts have an opportunity to mitigate the mistakes made by the Justice Department and previous courts by supporting the settlement.

The settlement being proposed is the right course of action to take. By forcing Microsoft to open their operating system, prevent unfair bundling, and create various forms of oversight, the settlement will address the concerns of those who called for this trial in the beginning.

As an added benefit, accepting the settlement will provide a greatly needed lift for the national economy. The damaging effect of this case on our economy is obvious. In the two weeks when the first round of settlement talks between Microsoft and Justice Department collapsed, the value of Microsoft stock in the California Public Employees Retirement System fell by over \$700 million. Our current economic climate is not one that can easily withstand another setback of that severity.

I am including with this letter an article I wrote in July 2001 and a white paper written by our policy fellow, Helen Chaney. I hope this information is helpful to the court.

Sincerely,

Sonia Arrison

Director, Center for Technology Studies

Pacific Research Institute

755 Sansome Street, suite 450

San Francisco, CA 94111

415-989-0833 x107

sarrison@pacificresearch.org

**CC:** Sonia Arrison